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N. KATE COOLIDGE
Barrister & Solicitor

LICENSE AGREEMENT

Effective as of January 15, 1999, SemBioSys Genetics Inc., a Canadian corporation having principal place of business at 500, 3605 29th Street NE Calgary, AB ("SemBioSys"), and Dr. Hamid Habibi, an individual having a principal place of business at 2500 University Avenue, Calgary, Alberta ("Habibi"), by execution of the document below ("the Agreement") agree as follows:

Article 1

BACKGROUND

- 1.1 SemBioSys and Habibi have jointly been involved in the development of technology to manufacture oilseeds comprising fish growth hormone. SemBioSys and Habibi independently hold certain rights associated with these developments.
- 1.2 SemBioSys wishes to acquire an exclusive license to the relevant rights held by Habibi in order to further pursue the commercial development of products derived from said oilseeds. Therefore on May 21, 1998 SemBioSys and Habibi entered into an option agreement. SemBioSys exercised its option thereby agreeing to negotiate an exclusive license to the rights held by Habibi.
- 1.3 Habibi wishes to further pursue the commercial development of fish growth hormone in oilseeds so that products resulting therefrom may be available for public use and benefit at the earliest possible time.

Article 2

DEFINITIONS

2.1 The following terms shall have the meanings ascribed to them herein unless the context requires otherwise:

- (a) "Effective Date" means January 15, 1999.
- (b) "Licensed Patent(s)" means any Letters Patent issued with respect to the Technology, including the information contained in such application, any foreign patents corresponding thereto, and/or any divisions, continuations, or reissue thereof. This includes all Letters Patent with respect to the Technology declaring Habibi's inventorship including US Patent Applications with Serial Nos 09/210,843 and 60/109,997 and related foreign counterparts, divisions, continuations and reissues.
- (c) "Know-how" means trade secrets, special knowledge, including but not limited to biological material, assays, designs, calculations, formulae, data, results, algorithms, protocols, techniques, processes, devices and any other information necessary or useful in the practice of the Technology that are or have been acquired or developed by or under the direction of Habibi prior to or during the term of the Agreement or the License contemplated herein.
- (d) "Improvements" means any improvement, idea, design, concept, biological material, know-how, technique or discovery relating to the Technology whether or not patentable, copyrightable or otherwise protectable as intellectual property, which is dominated by claims in the Licensed Patents or which have been or may be developed in whole or in part by or under the direction of Habibi with respect to the Technology.

- (e) "Licensed Product(s)" means any :
 - (i) fish growth hormone;
 - (ii) fish growth hormone/oleosin fusion;
 - (iii) oil bodies comprising fish growth hormone or fish growth hormone/oleosin fusions;
 - (iv) oilseeds comprising fish growth hormone or fish growth hormone oleosin fusions; and
 - (v) formulated fish feeds comprising fish growth hormone or fish growth hormone oleosin fusions developed by SemBioSys under Licensed Patents.
- (f) "Licensed Field of Use" means all applications of the Technology.
- (g) "Licensed Territory" means the entire world.
- (h) "The Technology" means any method, technique, data, or skill, patentable or unpatentable, owned or licensed by Habibi that can be used to develop Licensed Products. Technology shall not include any method, technique, data, or skill, patentable or unpatentable, owned or licensed by Habibi that cannot be used to develop Licensed Products.
- (i) "Net Sales" means the gross revenue realized by SemBioSys as a result of the sale of Licensed Product(s) less the following items but only insofar as they actually pertain to the disposition of such Licensed Product(s) by SemBioSys and are included in such gross income, and (except Item (c)) are separately billed:

- (a) Import, export , excise, and sales tax, plus custom duties;
- (b) Costs of insurance, packing, and transportation from the place of manufacture to the customer's premises or point of installation, and;
- (c) Credit for returns, allowances, or trades.

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Article 3

CONSULTING BY HABIBI

- 3.1 Habibi shall assist SemBioSys by providing Know-how and related information and materials in developing Licensed Products. Subject to Article 8 and for a period starting at the Effective Date and ending three (3) years from the Effective Date, Habibi shall consult to SemBioSys or its agent for up to sixteen (16) hours per month. In consideration of Habibi's consulting, SemBioSys shall pay to Habibi two thousand Canadian dollars (\$2,000 CAD) per month in arrears upon receipt of invoice. SemBioSys shall pay interest at prime lending rate over any amount not paid within thirty (30) days of SemBioSys receiving the invoice. Habibi agrees not to consult with any third party on any project that will compete with SemBioSys' own efforts to develop commercialize Licensed Products.
- 3.2 SemBioSys reserves the right to extend the consulting agreement under the terms specified in this agreement on an annual basis for an additional 2 years.
- 3.3 From time to time SemBioSys may require written reports from Habibi. SemBioSys will give Habibi at least thirty (30) days notice should such reporting be required. If Habibi's writing of these reports requires Habibi to spend time over and above the consulting time specified under 3.1, SemBioSys will pay Habibi at an hourly rate of one hundred twenty five Canadian dollars per hour (125 CAD), for a maximum up to one thousand Canadian dollars 1000 CAD per report.

Article 4

GRANT

- 4.1 Habibi hereby grants and SemBioSys hereby accepts an exclusive license, with right to sublicense, to the Technology, Know-how and Improvements and any related Licensed Patents to make, use and sell Licensed Product(s) in the Licensed Field of Use in the Licensed Territory ("the License") subject to termination under Clauses 8.2 and 8.3.
- 4.2 In consideration of the grant by Habibi of the License SemBioSys shall pay to Habibi a first license fee of thirty five thousand Canadian dollars (\$35,000 CAD) upon signing of the Agreement. SemBioSys shall pay to Habibi a further license fee of thirty five thousand Canadian dollars (\$35,000 CAD) on January 15, 2000 and thirty five thousand Canadian dollars (\$35,000 CAD) on January 15, 2001. SemBioSys shall also pay Habibi a royalty rate of 0.5% of Net Sales of any Licensed Products embodying Technology.
- 4.3 SemBioSys shall defend, hold harmless and indemnify Habibi from all liabilities, expenses damages and costs, including costs on a solicitor and own client basis, any nature whatsoever arising from, as a result of, or in any way connected with SemBioSys' commercialization of the Technology, use Licensed Patents, Know How, Improvement and sale of Licensed Products. This indemnification shall survive the termination of the License or the Agreement.
- 4.4 In order that Habibi receive academic benefit from the scientific advancement anticipated for this research and development, he shall be involved in the scientific aspects of the development of Licensed Products, improvements, any new patents whether by SemBioSys or any sub-licensee to the extent Habibi is involved as an inventor.
- 4.5 The University of Calgary shall have the right to use the Technology for non-commercial research purposes.

Article 5

CONFIDENTIAL INFORMATION

- 5.1 Habibi and SemBioSys shall take reasonable action, to prevent the disclosure of each others confidential information under the present agreement. Habibi and SemBioSys shall only disclose confidential information received hereunder to their employees and affiliates on a need-to-know basis. The parties hereto shall not disclose any confidential information to a third party. However Habibi and SemBioSys may disclose confidential information to consultants and third parties whose services or expertise may be necessary to assist in the development or commercialization of Technology, and to obtain government registration or manufacture of Product(s), provided a secrecy agreement is obtained that is at least as restrictive as the confidentiality provisions in this agreement. The term for confidentiality under any secrecy agreement with third parties shall continue for at least five (5) years after the end of the period of activity specified in the secrecy agreement. Consultants and third parties may not disclose information to any other third party without Habibi or SemBioSys obtaining the written consent of the other party to this agreement. The term for confidentiality between the parties hereto shall continue until five (5) years after the termination or expiration of this agreement.
- 5.2 The obligation of confidentiality shall not apply to confidential information that the receiving party can show:
- (a) by written records was in its possession prior to disclosure under this agreement and which has not been previously acquired from the disclosing party;
 - (b) is or becomes part of the public domain through no fault of the receiving party;
 - (c) is lawfully received without an obligation of confidence from a third party legally entitled to disclose the information:

- (d) is required by law to be disclosed but only to the extent it is so required; and
- (e) is required to be disclosed to a governmental agency to obtain the necessary approval for the sale of Product(s) and such information cannot be claimed as "business confidential."

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Article 6

PUBLICATIONS

- 6.1 The parties are aware of the sensitive nature of the Technology, aspects of which, if disclosed in the wrong context, could negatively impact the commercial value and viability of the Technology. The parties agree to use reasonable efforts to prevent such a disclosure and Habibi shall discuss the contents and context of any disclosure with SemBioSys so that any negative impact can be avoided. For the term of the License Habibi shall provide SemBioSys with the content of any public disclosure of the Technology, including any manuscripts for publication, at least 45 days in advance of such disclosure or the completion of a final version of a manuscript for publication for approval by SemBioSys, which shall not be unreasonably withheld. SemBioSys shall have 30 days from the receipt of such manuscript to file intellectual property protection.
- 6.2 To the extent that SemBioSys wishes to make publicly available data regarding the Technology provided by Habibi, SemBioSys will acknowledge Habibi's contributions in accordance with accepted academic practices. SemBioSys will provide Habibi with any public disclosure regarding the Technology that recognizes Habibi's contribution at least 45 days in advance of such disclosure or the completion of a final version of a manuscript for publication for approval by Habibi, which shall not unreasonably withheld.

Article 7

PATENT APPLICATIONS

- 7.1 During the term of the Agreement, Habibi shall, in cooperation with SemBioSys, use reasonable efforts to assess the patentability of the Technology and Improvements. SemBioSys shall if appropriate, prepare and file a patent application directed thereto.
- 7.2 SemBioSys will use reasonable efforts to prosecute and maintain any Patent(s) that govern the Technology. SemBioSys will pay any taxes and maintenance fees to keep Patent(s) in full force and effect during the term of the Agreement.
- 7.3 Habibi agrees to assign to SemBioSys any right in patent application(s) to the Technology or Improvements to the Technology prior to or during consulting period defined in article 3.

Article 8

TERM AND TERMINATION

- 8.1 Subject to Article 8.2, the License shall expire at the later of Jan 15th 2014 or the latest of the expiry dates of Licensed Patents in force in any Licensed Territory.
- 8.2 The parties agree that SemBioSys at its sole discretion reserves the right to seek third party funding to develop Licensed Products for commercialization. SemBioSys will have the right to unilaterally terminate the License in the event that SemBioSys is not able to secure funding from a third party to develop Licensed Products for commercialization and when SemBioSys in addition decides not to develop Licensed Products using internal funds. In the event of such termination SemBioSys' rights shall become non-exclusive and the royalty fee obligation, license fee obligations and all other obligations under Article 4 will terminate. All payments made prior to termination shall be non-refundable. In the event a funding partner terminates its funding to SemBioSys, SemBioSys' consulting agreement with Habibi will continue only as long as SemBioSys decides to seek alternative funding sources up to a maximum period of up to six (6) months following termination of the funding. All payments made prior to termination shall be non-refundable. Upon such termination all outstanding financial obligations under Article 3 will terminate.
- 8.3 If SemBioSys should choose to reinitiate development of Licensed Products after termination of the License and consulting agreement as provided in paragraph 8.2 herein, then SemBioSys shall negotiate in good faith to reestablish a relationship with Habibi, that to the maximum extent possible preserves the provisions of this Agreement, and continuing from the point at which the agreement was interrupted by termination. If,

however Habibi has licensed or otherwise committed part or all of the Technology during the period between the termination defined in paragraph 8.2 and the reinitiation defined herein than the Agreement will be terminated per paragraph 8.2.

Article 9

ARBITRATION

To the extent that any disagreement arises the Parties agree that they shall refer such a dispute to mediation with a mediator acceptable to both parties. If the parties can not come to an agreement using mediation, then the disagreement or unresolved issues shall be referred to binding arbitration in accordance with the Provisions and Arbitration Act or similar legislation in force in the Province of Alberta.

Article 10

NOTICES

Communications to either party concerning the License Agreement shall be in writing and addressed as follows:

To Habibi:

91 Edendale Cres. NW
Calgary, AB T3A 3W9, Canada
Fax: (403) 282 0048
Attention: Dr. Hamid Habibi

To SemBioSys:

SemBioSys Genetics Inc.
500, 3605 – 29th Street NE
Calgary, Alberta T1Y 5W4
Fax: (403) 250 3886
Attention: Mr. Andrew Baum

The address to which any notice, demand, or other writing may be given or made or sent to any party may be changed upon written notice given by such party as above provided.

Article 11

ASSIGNMENT

This Agreement may not be assigned without the prior written consent of the other party such consent not to be unreasonably withheld. The rights and obligations of this Agreement may only be assigned, delegated or transferred by SemBioSys to a successor of all or substantially all, of SemBioSys' assets or to an affiliate at least owned in part by SemBioSys. The rights and obligations of this Agreement may only be assigned, delegated or transferred by Habibi to a wholly owned affiliate of Habibi or Habibi's Estate.

Article 12

FULL AUTHORITY

The parties warrant that:

- a) they have full authority to enter into this agreement.
- b) they have full rights to transfer the rights contemplated in this agreement and,
- c) all duties owed to the University of Calgary by Habibi with respect to the Technology and this Agreement, including disclosure of the Technology and transfer of rights in the Agreement, have been discharged.

Appendix A is the agreement between Habibi and the University of Calgary, which evidences the discharge of Habibi's duties set out above.

Article 13

SCOPE OF AGREEMENT

This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter hereof. No representative of Habibi or SemBioSys has been authorized to make any representation, warranty, or promise not contained herein. This Agreement replaces all previous Agreements written or unwritten between SemBioSys and Habibi. This Agreement recognizes and conforms with the written policies of the University of Calgary with respect to research, outside professional activity and intellectual property.

Esther Coolidge

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Revenue Sharing Agreement



REVENUE SHARING AGREEMENT

An Agreement effective May 15, 1998.

BETWEEN:

THE GOVERNORS OF THE UNIVERSITY OF CALGARY

Through their Agent

University Technologies International Inc.

204, 609 - 14 Street NW

Calgary, AB T2N 2A1

("University")

and

DR. HAMID HABIBI

Department of Biological Sciences

Faculty of Science

The University of Calgary

2500 University Dr. NW

Calgary, AB T2N 1N4

("Habibi")

WHEREAS Habibi has used University resources to create certain intellectual property which is more particularly set forth in Schedule "A", (the "Property"); and

WHEREAS Habibi intends to commercialize the Property; and

WHEREAS University policy permits Habibi to own and commercialize his intellectual property subject to the revenue generated being shared with the University;

The Parties agree as follows:

1. The University acknowledges Habibi's sole ownership of the Property and Habibi's right, including any copyright and other intellectual property rights of whatsoever nature in the Property, to sell, license, or otherwise profitably exploit the Property, at Habibi's sole cost and expense, subject to payment of a portion of the Net Revenue generated thereby to the University in accordance with paragraph 3 of this Agreement.

2. "Net Revenue" means all money received by Habibi, or Habibi's agents or assignees, from royalties, license fees, or from the sale of the Property, before taxes, less expenses and fees

paid by Habibi, such expenses and fees to be directly related to the costs of obtaining and maintaining patent or other statutory protection by Habibi personally and the costs of issuing royalty or license agreements, to be calculated in accordance with generally accepted accounting principles.

3. Net Revenue will be shared between Habibi and the University as follows:

Habibi:	75% (seventy-five percent)
University:	25% (twenty-five percent)

4. Habibi will keep complete and proper accounts of all revenues and direct costs and expenses. The accounts will be open for inspection by the University during normal business hours upon reasonable notice and at the University's expense.

5. Within sixty (60) days of the end of the calendar year, Habibi will give to the University a statement, prepared by a certified accountant, setting forth all the revenues and costs relating to the Property. If no revenue has been received for that calendar year Habibi will report this fact to the University.

6. Within thirty days of receipt of revenue generated by the Property, Habibi shall pay to the University the University's share of Net Revenue.

7. At Habibi's request, the University may agree to collect, administer and distribute any revenue generated by the Property, or assume ownership and management of the Property, by assignment or agency, on terms to be negotiated by the parties.

8. If Habibi assigns the rights in the Property to a third party, Habibi will immediately notify the University in writing. If the University assigns its rights under this Agreement, the University will immediately notify Habibi in writing.

9. Habibi warrants that, to the best of his knowledge, Habibi and Dr. Maurice Moloney are the sole author's/inventor's of the Property and that there are no other third-party claims to the rights in the Property which would limit or prevent Habibi from entering this Agreement.

10. Habibi shall indemnify and save harmless the University against all third-party claims, costs, demands, suits or damages suffered by the University in connection with the infringement of third-party rights in and to the Property, including, without limitation, legal and other professional fees and disbursements.

11. The University may surrender its rights and interest in the Property upon thirty (30) days written notice to Habibi and be thereby discharged from its obligations under this Agreement or further agreement relating to the Property.

12. Habibi and the University agree that all disputes or controversies that may arise in connection with this Agreement that are not settled by the parties themselves shall be submitted

for determination in accordance with the provisions of the Alberta Arbitration Act. Each party shall bear its own costs of arbitration until an award is made by the arbitrators, in which case, costs shall be borne by the party or parties as seemed appropriate by the arbitrator(s).

13. Subject to paragraph 11, the Agreement will remain in force and will be binding on Habibi and the University and on their respective heirs, executives, administrators and assigns as long as any statutory or contractual protections remain in effect (including but not limited to, patent, trade secret, trademark, copyright, industrial design or semiconductor chip protection) or any license remains in effect, whichever is longer.

14. Any notices to be given under this Agreement shall be in writing and delivered to the parties at the following addresses:

Habibi: Dr. Hamid Habibi
91 Edendale Cres. NW
Calgary, AB T3A 3W9

University: The University of Calgary
c/o University Technologies International Inc.
204, 609 - 14th Street NW
Calgary, AB T2N 2A1

Attn: The President
403-270-2384 (Fax)

15. This Agreement shall be governed by and construed in accordance with Alberta law and applicable Federal laws.

16. Any waiver of a breach of a term of this Agreement by the aggrieved party shall not be construed as a waiver of any subsequent breach of any term of this Agreement.

17. If any provision of this Agreement is invalid or unenforceable, such provisions shall be severed from this Agreement to the extent of such invalidity or unenforceability without effecting the remaining provision hereof.

18. This Agreement contains the entire agreement between the parties and superseded all prior agreements, negotiations, representations and proposals, written or oral.

19. The parties agree to do all acts and execute all such further assurances as may be necessary or desirable to give effect to the terms of this Agreement.

20. This Agreement may be amended by the written mutual agreement of both parties.

IN WITNESS WHEREOF the parties have executed this Agreement as of the Effective Date.

THE UNIVERSITY OF CALGARY
Through its Agent
University Technologies International Inc.

Melanie Newbery
Witness

Beverley A. Sheridan
Per. Beverley A. Sheridan
President & C.E.O.

DR. HAMID HABIBI

Alfred
Witness

Hamid Habibi

DESCRIPTION OF PROPERTY

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N. Kate Coolidge

Appendix A

Definition of Technology

N. KATE COOLIDGE
Barrister & Solicitor

Fish Growth Hormone Technology (FGHT) comprises a method for the production and delivery of a fish growth hormone. The method involves expressing the fish growth hormone as an oleosin fusion protein.

In one aspect FGHT comprises a fish growth hormone or a fragment thereof which has growth promoting activity linked to an oleosin. The fish growth hormone might be carp growth hormone or any other fish growth hormone.

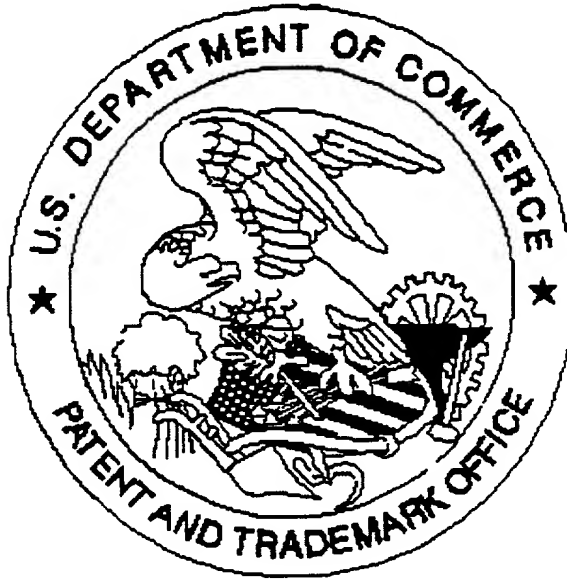
In a further aspect, the Technology comprises a method of delivering a fish growth hormone to a fish comprising:

- (a) introducing into a plant cell containing oil bodies an expression vector comprising:
 - (1) a nucleic acid sequence capable of regulating transcription in a plant cell, operatively linked to
 - (2) a chimeric nucleic acid sequence encoding a fusion protein comprising (i) a nucleic acid sequence encoding a fish growth hormone or a fragment thereof which has growth promotion activity linked in reading frame to (ii) a nucleic acid sequence encoding a plant oleosin
 - (3) a nucleic acid sequence encoding a termination region functional in said plant cell
- (b) regenerating a plant from said plant cell and growing said plant to produce seed;
- (c) crushing said seed; and
- (d) delivering the crushed seed to a fish, wherein said crushed seed is administered orally.

The fish growth hormone which is employed might be carp growth hormone or any other fish growth hormone or active fragment thereof. The oil body fraction might be purified from said crushed seed prior to delivery to the fish.

The Technology includes relevant existing technical data, material and information provided to SemBioSys.

United States Patent & Trademark Office
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Application deficiencies found during scanning:

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